

Policy for treatment of Inactive/Dormant Accounts

**CGS-CIMB Securities (India) Private
Limited**

Document Version Control and Change Management

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Policy for treatment of Inactive/Dormant Accounts

This policy defines the treatment of Dormant/Inactive accounts of the clients maintained with CGS-CIMB Securities (India) Private Limited.

Background:

SEBI vide circular no. dated December 3, 2009 and National Stock Exchange vide circular no. NSE/INSP/13606 dated December 3, 2009 & NSE/INSP/43488 dated February 10, 2020 directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts.

Definition of Dormant/ Inactive Accounts:

In case of trading account the term dormant/Inactive account refers to such account wherein no transactions & trades have been carried out since last 1 year (12 months) across all Exchanges.

Transaction in Dormant/Inactive Trading Accounts:

The Dormant accounts identified based on the above criteria shall be flagged as 'Inactive' by the CGS-CIMB's in UCC database of all the respective Exchanges. CGS-CIMB reserves the right to freeze/deactivate such accounts and shall not permit to carry out any fresh transactions in such account. The clients account would be reactivated only after undertaking proper and sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client.

Process for re-activation of dormant account for Non Institutional Clients:

Client can get his account reactivated by following any of the below mentioned process after due authentication:

- a. The client's request through letter/registered email ID/ recorded telephone line can be considered to reactivate the account of carry out any fresh transaction in a dormant account.
- b. Call the Dealer from his/her registered telephone number identifying himself / herself through internal validation questions (as may be asked by Dealer) and request for activation of account for placing orders/transacting in the account.
- c. Fresh KYC to be obtained from the client.

- d. IPV has to be done for the client by RM/Dealer or Sales person, if client is not physically present then IPV has to be done through video calling.

Process for re-activation of dormant account for Institutional Clients:

- a. Dormant accounts/Inactive account may be reactivated based on the request received from Business Manager with evidence of the client request like an email or call recording or Bloomberg chat or any other mode.
- b. An email from registered email id for reactivation of the client if request mode is calls or Bloomberg then after activation of the account confirmation email has to be sent to client along with the client code by Business Manager or the person who has received the request.
- c. Operations should check the KYC records available with KRA and ensure that KYC Documents in the record are updated post activation of the client.

Return of Clients assets: In case of clients who have credit balance and who are flagged as Dormant, the funds/ securities of such clients are duly settled on monthly/quarterly basis (as per the client preferences) in the manner prescribed from time to time.

The above stated policy may vary depending on various rules, regulations and bye laws as may be prescribed by SEBI, exchanges or any other authority or as per internal policy of CGS-CIMB from time to time. This Policy for dormant accounts is over and above the transaction monitoring in Dormant account as per Anti-Money laundering Policy of the Company.